



# City of San Antonio

## Agenda Memorandum

**File Number:** 15-1478

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**Agenda Item Number:** 21.

**Agenda Date:** 2/19/2015

**In Control:** City Council A Session

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**DEPARTMENT:** Department of Planning & Community Development

**DEPARTMENT HEAD:** John M. Dugan, Director

**COUNCIL DISTRICTS IMPACTED:** Council District 2

**SUBJECT:**

Resolution of Support for Wheatley Courts Senior Apartments Development Project

**SUMMARY:**

A Resolution of Support for the Wheatley Courts Senior Apartments, an approximately \$9.39 million multi-family rental housing development, located at 906 North Mittman Street, seeking 2015 Competitive 9% Housing Tax Credits from the Texas Department of Housing and Community Affairs (TDHCA).

**BACKGROUND INFORMATION:**

The TDHCA Housing Tax Credit (HTC) Program is one of the primary means of directing private capital toward the development and preservation of affordable rental housing for low-income households in the state of Texas. Housing tax credits are awarded to eligible participants to offset a portion of their federal tax liability in exchange for the production or preservation of affordable rental housing.

On September 18, 2014, the City Council approved \$1,200,000 in HOME Investment Partnership Program (HOME) funds to the Wheatley Courts Senior Apartments, an approximately \$9.39 million 80-unit multi-family rental housing development project, located at 906 North Mittman Street.

**ISSUE:**

Wheatley Courts Senior Apartments is seeking 2015 Competitive 9% Housing Tax Credits from the Texas Department of Housing and Community Affairs (TDHCA). This housing tax credit application is different from the other applications for Resolution of Support in that it is competing under the statewide "At Risk Set-

Aside” instead of the “Region 9/Urban Set-Aside” like the other respondents to the Request for Applications. In addition, this development is receiving \$1.2 million in HOME funding from the City of San Antonio, while there is no current commitment for City funding to the other nine developments.

This application process requires a Resolution of Support from the local municipality. The initial estimated value of the tax credits is \$6.17 million. One hundred percent (100%) of the units will benefit seniors at or below 60% of area median income. The 2015 Competitive 9% Housing Tax Credit application will be considered at the April 16, 2015 TDHCA Governing Board. If approved, the project is set to close by December of 2015, with construction commencing in January of 2016 and being completed by April 2017.

Utilizing the City Council adopted evaluation criteria and TDHCA’s 2015 Qualified Allocation Plan (QAP), staff developed an application process and schedule. On January 30, 2015, the City issued a request for applications for multi-family rental housing development projects seeking a San Antonio City Council Resolution of Support or No Objection in connection with the Texas Department of Housing and Community Affairs Housing Tax Credit program. Applications were due on February 10, 2015 and must score at least 85 points on the 165 point scoring system to receive a staff recommendation for a Resolution of Support. Applicants scoring less than 85 points, will receive a staff recommendation for a Resolution of No Objection, provided the applicant received at least 6 experience points under “I. General Partner and Property Manager Experience” of the application. The Wheatley Courts Senior Apartments project scored 119 points on the 165 point scoring system.

#### ALTERNATIVES:

City Council may elect not to provide a Resolution of Support.

#### FISCAL IMPACT:

There is no fiscal impact to the City’s General Fund Budget. On September 18, 2014, the City Council approved \$1,200,000 in HOME Investment Partnerships Program (HOME) funding for this project.

#### RECOMMENDATION:

Staff recommends a Resolution of Support for the Wheatley Courts Senior Apartments, an approximately \$9.39 million multi-family rental housing development project seeking 2015 Competitive 9% Housing Tax Credits as required by the Texas Department of Housing and Community Affairs.